

TAB C

Hospital and Surgical Insurance

General.

Hospital and surgical Group Insurance Plans are available to Agency employees through the Government Employees Health Association, a charitable corporation, incorporated under the laws of the District of Columbia. The need for this vehicle for the processing of insurance applications, payments and claims, arose out of the operational and security requirements of the Agency that precluded normal application and claim submission by Agency employees. As a corollary to the requirement for a proper vehicle, CIA provides for the administration of the Government Employees Health Association as a gratuitous service to those employees availing themselves of the service. With the exception of the method of application, payment of premiums and claim submission and payment, the Group Insurance Plans available at the present time (Mutual of Omaha and Group Hospitalization Incorporated) do not differ from those offered by the same companies to the general public. The benefits are the same.

Comparison of Benefits.

The attached paper, Annex I, sets forth a comparison of the benefits offered by Group Hospitalization Medical Service and the benefits offered by Mutual of Omaha. Penned changes of Mutual of Omaha (designated as "GEHA Present Plan," right-hand column) have been made to reflect increased benefits that were effective 1 September 1953.

COMPARISON
of
THE BENEFITS

Offered By
Group Hospitalization, Inc.

Offered By
GEHA's Present Plan

HOSPITAL SERVICES

No Dollar Limit --- These Services Covered In Full Regardless Of Cost For 21 Days Each	UNLIMITED	Semi-private accommodations (cost in Washington area, \$9 to \$13.50 a day)	LIMITED	\$9 A Day
	UNLIMITED	Meals and special diets	LIMITED	
	UNLIMITED	General nursing care	LIMITED	
Hospital Confinement	UNLIMITED	(Medicines)		\$135.00
	(Those listed in official formularies)			
	UNLIMITED	(Cystoscopic room)		
	UNLIMITED	(Sterile Tray Service)		
	UNLIMITED	(Dressings)		
	UNLIMITED	(Plaster casts)		
	UNLIMITED	(Intravenous solutions and injections)		
	UNLIMITED	(Sera (except blood and blood plasma))		
	UNLIMITED	(Analgesic care)		
	UNLIMITED	(Recovery room)		
Hospital Confinement	UNLIMITED	(Oxygen and use of equipment for administering oxygen)		\$25.00 each
	UNLIMITED	Blood Transfusions -		
	(Blood and blood plasma not included)			
Hospital Confinement	UNLIMITED	Operating room	LIMITED	
	LIMITED	Laboratory Examinations	LIMITED	
	(1st uri- nalysis and blood count)			
Hospital Confinement	LIMITED	Maternity Benefits	LIMITED	
	(\$9 a day for 8 days; full service benefits for ectopic pregnancy, miscarriage. \$80 for normal delivery; \$150 Caesarean section, plus pathology if required.)			
Hospital Confinement			LIMITED	
			(\$9 a day for 14 days plus \$45.00 unallotted. \$40 for miscarriage; \$50 for delivery; \$100 for Caesarean section.)	

COMPARISON - Continued

<u>Offered By</u> <u>Medical Service (1)</u>		<u>Offered By</u> <u>GEHA's Present Plan</u>	
Up to \$250 ⁽²⁾		Up to \$150	
		<u>SERVICES RELATED TO SURGERY</u>	
No Limit On Number Of Procedures	\$10 to \$40 (For each ad- ministration of anesthesia	Anesthetist	LIMITED
	\$5 to \$35 (For each X-ray)	X-ray	LIMITED
	Up to \$25 (For each laboratory examination)	Clinical Laboratory Examinations	LIMITED
		Included In \$135.00 Mis- cellaneous Expense Allowance	

(1) Medical Service allowances available while subscriber is hospi-
talized for and is receiving surgical or obstetrical services
covered by the Plan. Complete coverage regardless of cost if
subscriber's income is within specified level.

(2) Complete coverage for eligible participants.

THE COST (Per Month)

<u>Classification</u>	<u>Group Hospitalization and Medical Service</u>	<u>GEHA's Present Plan</u>
I. Single member only	\$2.70	\$1.60
II. Married member and spouse	6.90	4.75
III. Married member, spouse and all children	6.90	6.00
IV. Member and all children, where there is no adult dependent	6.90	4.75
V. Member and one child, where there is no adult dependent	5.40	

BENEFITS OFFERED BY GROUP HOSPITALIZATION, INC. (BLUE CROSS) BENEFITS OFFERED BY GEHA'S PRESENT PLAN

Benefit Days

When a participant is admitted to a participating hospital the Hospital Service Contract will offer, for each hospital confinement 21 days of hospital care with full service benefits in semi-private accommodations, plus 180 additional days for which the Plan will provide an allowance of \$5 a day -- a total of 201 benefit days for each confinement. Successive confinements shall be considered to be continuous and to constitute a single confinement if discharge from and readmission to a hospital occur within a 90-day period.

Benefit days will be fully renewed when 90 days have elapsed between the patient's last discharge from the hospital and his next hospital admission.

Benefits during the full benefit days will include the following hospital services regardless of cost:

Semi-private room - accommodations for 2, 3 or 4 persons (prevailing rates in the Washington area hospitals range from \$9 to \$13.50 a day). If a participant occupies a private room, by choice or because of his condition, he will receive a credit of \$10 a day toward the hospital's charge for the room occupied.

Meals - including special diets
General nursing service

Cystoscopic room

Analgesic care

Recovery room

All drugs and medicines listed in the official formularies

Dressings

Plaster casts

Intravenous solutions and injections

Sterile Tray Service

First urinalysis and complete blood count

Operating room

Oxygen

Use of equipment for administering oxygen

Benefit Days

The GEHA policy will pay expenses actually incurred in a hospital not exceeding \$9 a day for not exceeding 31 hospital days for any one disability.

Benefit days will be fully renewed for each new illness and each new accident provided at least one day's discharge from hospital between illnesses.

The GEHA policy offers a total maximum allowance of \$9 a day (as noted above) toward the hospital's charge for room accommodations, meals and special diets, and general nursing service.

The Insurance Company offers not to exceed \$135.00 unallocated as the result of any one accident or sickness for laboratory services, use of operating room, administration of anesthetics, and x-ray services.

BENEFITS OFFERED BY GREAT HOSPITALIZATION, INC. (BLUE CROSS) BENEFITS OFFERED BY GEHA'S PRESENT PLAN

Maternity Benefits

The Family Hospital Service Contract provides an allowance of up to \$9 a day for a maximum of eight days of hospital care for any one pregnancy after the Contract has been in continuous effect for a period of 10 months.

Full Hospital Service Benefits, including use of the delivery room and labor room will be provided for Caesarean deliveries, termination of ectopic pregnancies, and miscarriages.

(See also Surgical Benefits for Obstetrics.)

Maternity Benefits

If a member of the Family Group is confined to a hospital for childbirth, abortion, miscarriage or any other complication of pregnancy while the policy is in force and nine months after its date of issue, the policy will pay not to exceed \$9 for not exceeding 14 days toward hospital charges. In addition, there is an allowance of up to \$45.00 unallotted toward the charges. Female members are covered effective with date of policy. There is a nine month waiting period for wives of members.

Emergency First Aid -- Out-Patient Service

An allowance up to \$10 is provided for out-patient service for (1) emergency first aid within two hours after an accident, or (2) use of operating room facilities when a general anesthetic is used.

Accidental Emergency Benefit Outside Hospital

Dependents and members are covered with effective date of policy if admitted to hospital as out-patient.

Tonsils or Adenoids

Benefits for the removal of tonsils or adenoids are provided after the Contract has been in effect continuously for 10 months, and are limited to one day for children and two days for adults.

Tonsils or Adenoids

\$9 a day plus \$135.00 toward miscellaneous hospital expense. No waiting period.

Pulmonary Tuberculosis --
Mental or Nervous Disorders

When the participant is accepted for treatment by a general hospital, up to 10 days' care will be provided for pulmonary tuberculosis and mental or nervous disorders during any 12 consecutive months.

Pulmonary Tuberculosis --
Mental or Nervous Disorders

Maximum of 31 days' care will be provided for pulmonary tuberculosis, mental or nervous disorders.

**BENEFITS OFFERED BY MEDICAL SERVICE OF D.C.
(BLUE SHIELD)**

Surgical Service benefits are available as often as necessary to help pay the doctor for the following services rendered in a hospital by a participating physician:

For Surgery--including the treatment of fractures and dislocations. Tonsillectomies and adenoidectomies are covered after a 10-month waiting period. (Benefits are provided for more than one surgical procedure regardless of whether they are performed through the same abdominal incision.)

For Obstetrics--care of miscarriage, ectopic pregnancy or delivery, including aftercare in the hospital by the physician--to subscribers enrolled under the Family Contract after a 10-month waiting period. (See page 6 for allowances.)

For Related Services--Administration of anesthetics, diagnostic x-ray services, clinical laboratory examinations. These related services are available while a subscriber is hospitalized for and is receiving surgical or obstetrical services covered by the Plan.

Home and Office Care

The Surgical Plan offers benefits for the following currently specified services when rendered in the home or in the doctor's office: emergency treatment of fractures and dislocations; excision of superficial tumors and cysts; external thrombosed hemorrhoids; delivery; suturing lacerations (up to \$15); nasal polyp removal; chalazion removal; probing tear duct (initial); and circumcision.

Eligibility for Full Service Benefits

The Surgical Plan offers service benefits that will cover the physician's charges in full (including charges for x-ray, anesthetics and pathology) if the subscriber is a single participant and his income does not exceed \$3,000 a year or a family participant and the family income does not exceed \$5,500 a year. If the subscriber's income exceeds these amounts, the Plan offers up to \$250 (depending upon the surgical procedure) to help pay the doctor.

BENEFITS OFFERED BY GEHA'S PRESENT PLAN

Surgical benefits are offered if any member of the Family Group undergoes an operation named in the Schedule of Operations.

Any operation not enumerated will be covered and the Association will determine the amount of reimbursement, if any. Two or more surgical procedures performed through same abdominal incision considered as one operation.

(See examples, pages 8 and 9)

The GEHA policy offers the maternity benefits set forth in the examples of payments on page 6.

These Related Services are included in Miscellaneous Hospital expense for which the allowance of \$135.00 is provided.

Home and Office Care

Surgery performed at the doctor's office is covered.

No Service Benefits

The GEHA policy does not offer service benefits. It provides only the amounts set forth in the Schedule of Operations regardless of the policy holder's income. Maximum allowance \$150.

EXAMPLES OF PAYMENTS OFFERED BY MEDICAL SERVICE TO SUBSCRIBERS WHOSE INCOMES EXCEED THE AMOUNT THAT ENTITLES THEM TO FULL SERVICE BENEFITS, AND OF PAYMENTS OFFERED BY THE GEHA POLICY

	Medical Service Plan	GEHA Policy
Hernia (Inguinal Unilateral)	\$100	\$ 50
Hernia (Inguinal Bilateral)	140	75
Appendectomy	100	100
Fracture of Spine	125	50
Dislocation (Hip)	75	35
Prostatectomy	200	150
Pregnancy (Normal Delivery)	80	50
Pregnancy (Caesarean)	150	100
Removal of Kidney	175	100
Mastoidectomy (One Side)	150	100 (Both Sides)
Brain tumor or abscess	250	150
Hemorrhoidectomy (Internal)	60	25
Tonsillectomy and Adenoidectomy	50-55	25
Administration of Anesthetics (depending upon surgical or obstetrical procedure)	\$10 to \$40 ⁽¹⁾ (For each administration of anesthesia)	These services included in Miscellaneous Hospital expense for which maximum allowance is \$135 unallocated.
Diagnostic X-ray Service (depending upon part of body x-rayed)	\$5 to \$35 ⁽¹⁾ (For each x-ray)	
Clinical Laboratory Examinations (depending upon type of examination, in addition to first urinalysis and blood count provided by Group Hos- pitalization)	Up to \$25 ⁽¹⁾ (For each laboratory examination)	

(1) Available while a subscriber is hospitalized for and is receiving surgical or obstetrical services covered by Medical Service.

GROUP HOSPITALIZATION AND MEDICAL SERVICE

GEHA'S PRESENT PLAN

CONDITIONS NOT COVERED

The Hospital and Surgical Service Plans do not cover: Workmen's Compensation cases; military service connected disabilities; congenital anomalies; plastic or cosmetic surgery (unless required because of injuries received after the participant is enrolled). The Hospital Service Contract does not cover rest cures, nor hospitalization required primarily for diagnosis or physical therapy. The Surgical Service Contract does not cover dental services, sprains, strains, contusions, sterilization except for valid medical reasons, or any services in home or office other than those specified in the Schedule of Fees in effect when the service is provided.

Benefits are not provided if the loss arises out of or in the course of the member's occupation as this is covered by Employee's Compensation Act.

Pre-existing Conditions - Waiting Periods

Pre-existing conditions, other than exclusions noted above, are covered after a 10-month waiting period. Benefits for obstetrical care and for the removal of tonsils and adenoids are available after 10 months.

Pre-existing Conditions - Waiting Periods

There is a nine month waiting period applicable only to maternity benefits for the wives of members.

For a comparison of the dollar value of benefits received by Group Hospitalization and Medical Service subscribers (actual cases) and the dollar value of the benefits they would have received under the GEHA policy, see pages 8 and 9.

<u>Services</u>	<u>Charges</u>	<u>Charges Covered By GHI-MSDC</u>	<u>Charges Covered By GEHA Plan</u>	
6 days private accommodations @ \$17	\$ 68.00	\$ 40.00	\$ 36.00	
10 days semi-private accommodations @ \$11	154.00	154.00	126.00	
Operating room	42.00 *	42.00		
Laboratory examinations	12.00 *	8.75		
Anesthetist	50.00 *	50.00	135.00	Total Allowance for "Miscellaneous Hospital Expenses"
X-ray	185.00 *	185.00		
Pathologist	41.50 *	41.50		
Recovery room	2.50	2.50		
Medicines	181.60	181.60		
Oxygen	10.00	10.00		
Physician	410.00	410.00	150.00	
Miscellaneous	<u>14.00</u>			
Totals	\$1,760.60	\$1,125.35	\$447.00	
Amount paid by subscriber		\$ 45.25		
Amount subscriber would have paid if covered by GEHA policy			\$723.60	

NOTE: All of the charges for hospital services required by the patient in this case were covered in full by the subscriber's Group Hospitalization Contract except \$45.25 of which \$23 was for a private room, \$3.25 for laboratory examinations, and \$14 for miscellaneous items. His income was within the prescribed amount that entitled him to full Surgical Service Benefits and his Surgical Contract covered the charges for physicians' services in full. The amount the GEHA policy would have allowed for the physician in this case is not known; however, in this example, the maximum allowance of \$150 has been used.

Under the GEHA Plan which offers \$9-\$135-\$150, the subscriber would have had to pay \$723.60 of the above bill.

The GEHA Plan provides \$135.00 for use of recovery room, medicines and oxygen which, in this case, cost a total of \$194.10.

*These charges which amounted to \$330.50 are covered in full by the subscriber's Group Hospitalization and Surgical Contracts except for \$3.25. These charges are included in "Miscellaneous Charges" by the GEHA Plan and are covered only by the maximum allowance for miscellaneous charges which in this example, is \$135.00. "Miscellaneous Charges" exceed the indemnity plan's allowance by \$195.50.

Diagnosis: Cancer

<u>Services</u>	<u>Charges</u>	<u>Charges Covered By GHI-MSDC</u>	<u>Charges Covered By GEHA Plan</u>	
16 days semi-private accommodations @ \$13.50	\$216.00	\$216.00	\$144.00	
Operating room	82.50 *	82.50		
First urinalysis and complete blood count	7.00 *	7.00		
Anesthetist	70.00 *	70.00		
Laboratory Services	194.00 *	194.00		
Roentgenologist (X-ray)	125.00 *	125.00		
Medications (including sera and intravenous solutions)	180.65	180.65		
Oxygen	254.75	254.75		
Dressings	154.65	154.65		
Physician	<u>500.00</u>	<u>500.00</u>	<u>150.00</u>	
Totals	\$1,784.55	\$1,784.55	\$ 429.00	
Amount paid by subscriber		NONE		
Amount subscriber would have paid if covered by GEHA policy			\$1,355.55	

NOTE: All of the charges for hospital services required by the patient in this case were covered in full by the subscriber's Group Hospitalization Contract. Her income was within the prescribed amount that entitled her to full Surgical Service Benefits and her Surgical Contract covered the charges for physicians' services in full.

Under GEHA's Plan offering \$2-\$135-\$150, the subscriber would have had to pay \$1,355.55 of the above full.

The GEHA Plan provides \$135.00 for medicines, oxygen and dressings which, in this case, cost \$590.05.

* These charges, which amounted to \$478.50, were covered in full by the subscriber's Group Hospitalization and Surgical Contracts. These charges are included in "Miscellaneous Expenses" by the GEHA Plan and are covered only by the maximum allowance for miscellaneous charges which is \$135.00. "Miscellaneous Expenses" exceed the indemnity plan's allowance by \$343.50.